

**Report of the Trustees and
Audited Financial Statements
for the Year Ended 31 July 2020
for
Derby Grammar School Trust Limited**

HSKS Greenhalgh
Chartered Accountants &
Statutory Auditor
18 St Christopher's Way
Pride Park
Derby
DE24 8JY

Derby Grammar School Trust Limited

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for the Year Ended 31 July 2020**

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**Report of the Trustees
for the Year Ended 31 July 2020**

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report with the audited financial statements of the Derby Grammar School Trust for the year ended 31 July 2020.

The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Companies Act 2006.

Since the company qualifies as small under section 383 of the Companies Act 2006, the strategic report required of medium and large companies, is not required.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object for which the company was established is to educate children in the City of Derby, South Derbyshire and Burton-Upon-Trent.

At Derby Grammar School we aim not only to teach, but to inspire a passion for learning that remains with our pupils throughout their lives. Combining intellectual challenge with a real breadth of experiences, we encourage each pupil to harness their strengths, work on their weaknesses, and realise their full potential. An education with us provides a strong basis for higher education, for a subsequent career and for a rounded life, whilst having fun and being happy in our school environment.

Founded in 1995, our aim is to provide an excellent education for able boys aged 4 to 18 and girls aged 16 to 18 in the East Midlands. Our high quality education allows pupils to flourish in an atmosphere that provides intellectual challenge and celebrates success. Our education extends far beyond the classroom to the sports field, the debating table, the concert hall, the race track, and even the Tanzanian plains. We aim to equip our pupils with a breadth of skills and knowledge which will enable them to perform outstandingly well at school and in later life.

We strive to encourage independent thought, expression and learning, in an environment where learning is fun. Pupils and staff share high expectations and all of our staff are committed to helping and encouraging our pupils to succeed.

The school is fortunate in having staff who are more than willing to devote time to a substantial number of extra-mural activities, designed to give pupils experience over and above the curriculum, with the aim that by the time pupils leave the school, they will be confident, articulate, self-assured and well prepared for life beyond school.

Inspiring a passion for learning that remains with pupils throughout their lives is central to our values and our motto embodies this - 'vita sine litteris mors'; it translates as 'life without learning is death'. Three principles lie at our core: excellence, enrichment and encouragement. We provide superb teaching, incredible opportunities and a supportive, friendly atmosphere. These are the things that make us special. They are the reasons our pupils come into school every day with a smile, eager to learn and expand their minds.

Finally, we aim to increase the number of pupils and further develop links with local state schools, particularly those without their own sixth forms, with a view to being able to offer sixth form places to their pupils; bursaries, the level of which will be means tested, will be made available for this purpose.

**Report of the Trustees
for the Year Ended 31 July 2020**

OBJECTIVES AND ACTIVITIES

Grantmaking

The Governors of Derby Grammar School are committed to broadening access to the School by offering to eligible parents/guardians means-tested financial support with the payment of the school's fees. Such support is known as a bursary and these may be awarded in the form of a discount of up to 100% on tuition fees payable, depending on the financial, compassionate or other pertinent circumstances of applicants.

Grants and bursaries, all of which are made from unrestricted funds, are subject to repeat testing of parental means each year and may be varied upwards or downwards, depending on parental circumstances.

We also recognise gifted pupils with a wide range of scholarships and exhibitions and assist families of multiple children with sibling discounts.

**Report of the Trustees
for the Year Ended 31 July 2020**

OBJECTIVES AND ACTIVITIES

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

Curriculum

The National Curriculum provides the basis for our Primary School's broad and balanced curriculum, which focuses on developing excellence in literacy and numeracy, whilst encouraging every boy to discover his own individual strengths across many other subject areas. Class sizes are small which means that we carefully track progress and ensure each pupil is suitably challenged and guided to maximise their potential. Trips and residential visits, as well as a variety of school and community-based activities, also stimulate boys' interests and enrich the curriculum further as they're encouraged to explore, enjoy, imagine, create, experience, and achieve to the best of their ability.

In Years 7 to 9, the curriculum is designed to broaden pupils' interests and explore their strengths in a wide range of subjects. A limited number of options are introduced in Years 8 and 9.

As boys progress on to Year 10 the curriculum is divided into core and options which enables each boy to study up to ten subjects to GCSE in Year 11. Individual support and guidance is given to each pupil as they make these important choices.

Pupils choose three A levels to study at Derby Grammar School. The range of 22 subjects we offer ensures a wide curriculum to meet pupils' strengths and aspirations, preparing them for undergraduate study at the best universities. The Extended Project Qualification can also be pursued by pupils in the Sixth form.

Context to 2020 examination results

The 2020 series of GCSE and A Level examinations had been cancelled in response to the COVID 19 outbreak. Centre assessed grades (CAG) and rank ordering for each GCSE and A Level pupil within a subject replaced the summer examinations. The grades referred to in this report are a result of the school submitted CAG being awarded by Ofqual as the final GCSE and A Level grade for all pupils.

The CAG process required subject teachers to use existing assessment data for all pupils with the available historical performances for each subject to arrive at CAG for each pupil. Additionally, subject teachers placed all pupils for a given examination series in a rank order for each grade.

GCSE Trends

Consistent year on year upward progress in all subjects across 2018 -2020

Progressive increase at grade 8-9 of 23% across 2018 to 2020

Progressive increase at grade 7-9 of 30% across 2018 to 2020

GCSE Subject Headlines

43% English language and mathematics combined at grade 8/9

67% English language and mathematics combined at grade 7-9

100% art and design at grade 8-9 (3 Candidates)

100% music at grade 8-9 (7 candidates)

STEM subject combined results 81% at grades 7-9

MFL combined 62% at grades 7-9

Humanities combined 59% at grades 8-9

Religious studies 82% at grades 8-9

Creative arts 100% at grades 8/9

Chemistry, biology and physics combined results 60% at grade 8/9

Chemistry, biology and physics combined results 87% at grade 7-9

Pupil headlines

Three top scoring candidates achieved 9 GCSEs at grade 9

Six pupils achieved all GCSEs at grade 9 and 8

GCSE and A Level results continue to be excellent, not only in terms of grades achieved but in the 'added value' scores, i.e. pupils achieving beyond expectations.

**Report of the Trustees
for the Year Ended 31 July 2020**

OBJECTIVES AND ACTIVITIES

A Level Trends

Marked increase for 2020 cohort when compared with 2019

A* - A up by 6.5% on 2019

A* - B up by 2.5% on 2019

% of A* in line with 2019

A Level Subject Headlines

New EPQ qualification successful with 50% achieving A grade

31% A* - A across STEM subjects

Music Technology increase to achieve 50% A*-A

English Literature increase with all candidates achieving a B grade or higher

Biology A* grades increase by 2%

Chemistry A*-A grades increase by 5% to 30%

Geography A*-B grades increase by 7% to 75%

Product Design A*100%

Physical Education A* - A 100%

Economics increase A* - A to product 33%

Four top scoring candidates achieved all grades across the A* and A grade spread.

56% of all pupils accessing university courses did so at Russell Group universities

The House System

Inter-house competition goes from strength to strength and provides opportunities for pupils to be involved in sports, curricular and co-curricular activities.

Sporting House Competitions during 2019/20 included football, rugby, cross-country running, tug-of-war and rowing. In addition, there were House Competitions in art, chess and writing. Competitions that could not be held due to Covid included music, debating, athletics and cricket, but new on-line competitions were added, including photography and humour.

**Report of the Trustees
for the Year Ended 31 July 2020**

OBJECTIVES AND ACTIVITIES

Music and Co-curricular

Music continues to be a strength of Derby Grammar School. Across the Primary and Senior Schools, we have three bands, jazz ensembles, a choir, and a barbershop choir. Pupils continue to undertake their grade examinations, from Grade 1 to 8 in instruments including saxophone, trombone, drums, flute, singing, guitar and piano. Instrumental lessons were delivered remotely during Covid. Many of our students are members of the County Youth Orchestra, ensembles at Derby Music Centre and Hot House. Several pupils are members of Derby Cathedral Choir. The School's Barbershop Choir won prizes in a national competition.

Pupils in both the Primary School and Senior School have the opportunity to take part in many other co-curricular activities. Primary School clubs include Spaghetti Maths, Cookery, Street Dance, Science Club, Minecraft and Lego. In the Senior School the popularity of the school's Field Archery Club led one Y10 student to join a Field Archery Club and take part in National Competitions. Other clubs focus on Chess, Films, Books, Warhammer and Arts and Crafts.

We have continued to enjoy success in regional and national competitions, including the UK Mathematics Challenge at all levels and the Biology and Physics Olympiads.

Our success in the Science Olympiads, Formula 24 and 24+, the Space Design Competition, the UK Mathematics challenges at every level, the IET Faraday Challenge and the Rolls-Royce design competition for Junior Schools has marked us out as a school strong in STEM subjects.

Speech and Drama

Speech and Drama lessons continue to be a popular peripatetic lesson choice, with over 40 pupils participating from Years 3 to 13. LAMDA exams are taken in house at the end of each term. In the autumn term, Primary and Senior School pupils performed a musical, "School of Rock" and in the spring term there was a performance of "Oh, what a Knight!" by our Primary School boys.

Charitable support

Tanzania

Our partnership with Gedeli B (Ibeshi) School in Mwanza, Tanzania and orphanages in the vicinity is now in its 9th year. We continued to raise money for the project in school until March 2020 but due to the impact of Covid were unable to take a trip to Tanzania in July 2020. In July, we sent £2,000 to Hisani Orphanage in Mwanza to help support them as they had lost some of their funding and were struggling to look after the children. We raised a total of £5,712.39 for the Tanzania project for the year up to July 2020.

YMCA

Our Harvest Festival and Christmas Shoe Box appeal provide food, provisions, cleaning products and gifts for homeless young people in the Derby area. Donations for the October 2020 Harvest Festival exceeded all previous years, with a minibus full of donated items. These far exceeded other years, despite the pandemic and the YMCA were able to donate parcels to the local community as well.

Due to the restrictions at Christmas 2020, rather than filling shoe boxes, our pupils and staff gifted body sprays, perfumes and aftershaves for over 150 young people. In addition to this, two members of staff took part in Derby's "Sleep Easy" (sleeping rough so that others don't have to campaign) in March 2020, raising £750 towards the YMCA funds.

**Report of the Trustees
for the Year Ended 31 July 2020**

OBJECTIVES AND ACTIVITIES

Sport

The School continues to benefit from having a dedicated Sports Department of trained PE teachers, delivering PE and Games lessons to all students both in the Junior and Senior parts of the School. This provision is continued within the co-curricular offer and ensures pupils receive excellent input from qualified physical educators. The quality of provision in the PE department is being supplemented by a partnership with Loughborough University that now welcomes trainee teachers into school to complete their Initial Teacher Training.

Pupils test their progress in inter-school matches against other local schools and having smaller year groups means that there are frequent opportunities for school representation in a competitive environment. Mr Smyth has further developed the scholarship programme, which gives invaluable input to our sports scholars on a myriad of topics including:- health and fitness, target setting, nutrition, relaxation, sleep, planning, amongst other things. This both attracts and retains gifted and talented pupils.

The School focuses on rugby, hockey and cricket as its main sports and is well resourced in terms of practice and playing facilities, both on site and at its sports facility at Rykneld. Both indoor and outdoor cricket nets, an artificial wicket, floodlit astro turf, multiple rugby pitches and beautiful grounds inspire our young people to be active and improve their skills and fitness. Pupils in our Primary School receive swimming tuition throughout the academic year, whilst our athletes have access to a tartan running track to further develop their potential.

Unlike many state schools Derby Grammar maintains (within the curriculum) a sporting provision for its co-educational Sixth Form. There are a plethora of opportunities available to both our boys and girls, in addition to the main 3 sports, including basketball, football, table tennis, badminton and fitness, with free choice available to engage our young people in purposeful physical activity to sit alongside their academic study, to encourage and embed exercise into the normal working week.

Significant investment in the infrastructure at Rykneld Sports Centre has been gratefully received and the replacement of the sports hall lights with LED units adds to the brightness of the indoor space but also will save money in the long run. The astro turf is swept on a regular basis and is annually 'refreshed', with the addition of sand to the base. This has not only benefited our pupils but also improved school-club links have resulted in Belper HC now using the facility as an additional venue for their senior and junior hockey teams.

Duke of Edinburgh's Award

Pupils continued gaining Duke of Edinburgh Awards at Bronze, Silver and Gold Levels during 2019 - 2020. Training for expeditions was given at Bronze Level to Year 9, at Silver Level to Year 11 and at Gold Level to Year 12. Expeditions were postponed due to Covid and resumed in October 2020.

School Trips

School Trips to support curriculum studies and for enrichment of the pupils' education continue to be extremely popular and are offered to pupils throughout the school. For example Year 3 visited The National Stone Centre. Year 6 enjoyed outdoor activities during a stay at the Hollowford Centre. Year 7 stayed at the Whitmore Centre and Year 12 and Y13 understood Biology and Geography fieldwork during three days at Crandale in Yorkshire. Theatre visits are organised to support the study of set text in English. Several trips and visits did not run during the Year due to Covid (for example the German Exchange).

Rykneld Sports Centre

Significant investment in the infrastructure at Rykneld Sports Centre has been gratefully received and the replacement of the sports hall lights with LED units adds to the brightness of the indoor space but also will save money in the long run. The astro turf is swept on a regular basis and is annually 'refreshed', with the addition of sand to the base. This has not only benefited our pupils but also school-club links have resulted in Belper HC now using the facility as an additional venue for their senior and junior hockey teams.

Unfortunately Covid has meant that the Sports Centre has remained closed to the general public since 17 March 2020. We look forward to working with the local community and sports clubs to maximise its use once lockdown restrictions are removed.

**Report of the Trustees
for the Year Ended 31 July 2020**

STRATEGIC REPORT

FINANCIAL REVIEW

Business Review

The Trustees are satisfied with the result for the year.

The Board of Trustees has considered the impact of the ongoing global pandemic on the School operations and finances. Notably the pandemic has had a significant financial impact on its ability to let the sports facility, which has been closed to the public under government guidelines. However, the School has mitigated the impact of that closure through support packages provided by the government and cost reductions. However, the relatively small size of the School means that the ability to pursue any support packages through furlough or cost reductions are limited. The School's aim through the pandemic has been to ensure that the delivery of excellent academic provision is not compromised, whilst protecting the financial position of the School in these challenging times.

Only the final term in the year to 31 July 2020 was financially affected by the Covid pandemic. Whilst pupils on roll remained at a consistent rate on the year to 31 July 2019, overall reported fee income has reduced due to Covid fee concessions granted during the summer term. This equated to 10% of the term's fees. The fee remissions granted were broadly offset by accessing government support, specifically the Coronavirus Job Retention Scheme and cost reductions which were passed back to fee payers.

In pursuit of its charitable purpose and having due regard to public benefit, the School continues to support families affected financially by the pandemic principally through fee payment plans but also through some additional bursarial support.

The School were pleased to lose very few pupils resulting from the financial pressures of the past year and the number of pupils on roll for the year to 31 July 2021 have remained unchanged. Notably the School continues to see success in respect of Sixth Form admissions and the year yielded the largest cohort of girls to join the Post-16 provision. The School's re-designation of facilities in the prior year enabled it to open a new Sixth form centre and together with the development of the curriculum during the year has attracted and retained pupils.

The provision for EYFS, years 1 and 2, opened in August 2019 and we were delighted to welcome boys from aged 4 for the very first time. The inability to offer education for those year groups has long been an 'Achillesheel' of the School. This put the School at a distinct competitive disadvantage as direct entry years 3-6 are not natural transition points. Summer 2020 saw the opening of our purpose-built infant school with a capacity of 45 pupil places. The build has been financed entirely out of reserves which accounts for a significant proportion of the net cash outflow for the year and the depletion of free reserves. It has been disappointing not to be able to invite prospective families in to physically see the new build and hold our usual on-site open days. However, with the pandemic restrictions now lifting, some on-site open days are now planned and should occur during the Summer 21 term.

The School continued to restructure its cost base and the reported financial results reflect a further reduction costs in certain key areas.

The Trustees remain extremely grateful for the ongoing support of its benefactors who have signified their willingness to continue to support the School.

Reserves Policy

The statement of financial position presents the assets and liabilities of the various funds by type. Note 23 presents the various trusts of the charity and summarises the movements for the year on each fund.

The Trustees believe that a reasonable level of reserves should equate to two term's expenses. There remains much work to do in this respect, which will be achieved by stimulating local demand for the School, in order to attain higher sustainable numbers of pupils attending, and by general purpose appeals from time to time.

The Trustees have continued to keep the secured overdraft under review to ensure that, whilst reserves remain less than ideally required, it remains adequate to cover the school's working capital requirements.

**Report of the Trustees
for the Year Ended 31 July 2020**

STRATEGIC REPORT

Principal risks and uncertainties

The Board of Trustees has considered the impact of the pandemic and have made comment on that in the financial review section.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The company, incorporated under the Companies Act 1985 and 1989, is limited by guarantee and does not have a share capital. Its registered number is 2739356, and the company is also registered as a charity under the Charities Act 1993, number 1015449.

Recruitment and appointment of new trustees

The company's Articles of Association allow for Trustees to serve for a three year term. Trustees must retire at the annual general meeting following their completion of three years' service, but may stand for re-election.

The Board has the power at any time, and from time to time, to appoint any person to be a Trustee, either to fill a casual vacancy or as an addition to the existing Trustees, subject to the total number of Trustees at any time not exceeding sixteen. Any Trustee appointed holds office only until the next following annual general meeting, and then becomes eligible for re-election.

New Trustees are generally found from the contacts and networking of existing Trustees to provide for the school a wide range of skills.

Organisational structure

The Board of Trustees administers the charity. The Board meets four times a year, as do the Governors, and there are sub-committees covering education, finance, property, health and safety and safeguarding which also meet at least four times a year.

The head, appointed by the Trustees, manages the day to day operations of the school.

Induction and training of new trustees

The school follows the guidelines in respect of this matter issued by the Independent Schools Association and AGBIS.

Related parties

Derby Grammar School Foundation (DGSF) (Charity Number 1078193) is a connected charity within the meaning of the Statement of Recommended Practice, by virtue of the majority of its Trustees also being Trustees of this company.

An amount of £249k remains as an interest free loan to the school with no fixed date for repayment.

The Trustees are grateful to DGS Foundation for its continuing support.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**Report of the Trustees
for the Year Ended 31 July 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

PUBLIC BENEFIT

The Trustees have complied with the duty imposed by The Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

The Trustees believe that it is important that the benefit of education at Derby Grammar School is made available to children of families who would not otherwise be able to afford school fees. Within the constraints of the School's small size and lack of any permanent endowment, we offer bursary awards to those who meet our general entry requirements on the basis of the parental means and also in cases where a pupil's education would otherwise be put at risk. In assessing means we use the methodology suggested by the Independent Schools' Bursars Association, taking into account income from all sources, capital and savings and family circumstances including dependent relatives and the number of siblings. In funding these awards the Trustees have to be mindful of achieving a balance between fee-paying families, many of which have made considerable sacrifices to fund their child's education, and those benefitting from the awards.

The School offers bursaries ranging from 5% to 100% remission of fees. Parents joining the School are made aware of the bursaries available.

In addition, the School has demonstrated its commitment to the public in many other ways, including:

- Raising significant funds for various charities
- Events in support of the homeless (including teenage homeless in the Derby area)
- Reduced charges for use of school facilities to community organisations
- Providing concerts in the local community
- Providing a venue for external candidates to sit examinations

The school has now established a stronger link with a village and school community in Tanzania and it is likely that this will continue to be taken forward in future years. This same community has also been helped during the year by the Primary School.

By far the largest contribution made by the school to the public benefit is the saving of approximately £5.5k per pupil - £1.5m - for our school from the public exchequer, funds that without the availability of independent education, would otherwise have had to be spent in providing education at local state schools.

PLANS FOR FUTURE PERIODS

With the recent opening of provision for Reception, Year 1 and Year 2 the trustees are embarking upon an ambitious phase of growth. Building work was completed in the Summer Term, 2020 and the new Infant School was opened in September 2020. The Infant School now has the capacity to house 45 additional children (15 per year group) in the new three-classroom build. Links with local nurseries and pre-schools are being formed with infant-centric community events planned for 2021, including music, forest school and literacy events.

The school has expanded its sports provision through the purchase of the sports hall, artificial pitches and rugby pitches at Rykneld Sports Centre and will continue to improve and expand these facilities for our own school use as well as local state schools and the community. The latter will be particularly prominent from 2021 onwards, COVID-permitting, with the school having refreshed links with all local maintained feeder schools. A new programme of girls' games has been introduced and staffed accordingly and we are looking to embed and develop this further as the school attracts increasing numbers of girls into the coeducational Sixth Form.

The recent emphasis placed on the enhancement of Sixth Form facilities (a new Sixth Form Centre) and the curriculum continues to develop. 2021 will see all new A Levels (Politics, Business, Psychology and EPQ) accredited for the first time. The increase in the number of girls admitted into the Sixth Form has also led to a development of girls' changing and toilet facilities on the main site. Plans are in place for the development of a new library and independent study facility, particularly for Sixth Form use, in the main school building.

**Report of the Trustees
for the Year Ended 31 July 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

The trustees are seeking to further develop the IT facilities and infrastructure of the School. Investment has been made in in-class technology, purchasing the latest SMART interactive white boards for a number of subject areas, with more to be installed in 2021. As a Google Education Suite School, more chromebooks are being bought to enable further IT-based learning, independent learning and research skills to be developed. The plans in place to develop a new library and independent study centre will benefit both Senior School and Sixth Form pupils. In addition, a new rolling programme of external and internal redecoration has begun.

Having rolled out a successful online learning programme for pupils during the COVID pandemic, investment has been made in new hardware, such as in-class webcams and visualisers, new educational software, staff training and virtual educational platforms such as Microsoft Teams, to enhance this provision. Any future necessity of online education is therefore fully resourced.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Governors is responsible for the identification and review of the risks to which the School is exposed and to ensure that there are adequate systems and processes in place to manage those risks. Where risks are identified, any required action is delegated to the Senior Leadership Team or other appropriate school personnel to implement, with appropriate oversight by the Governors to ensure any required action is undertaken.

In the Trustee's opinion, the principal areas of risk to which the School is exposed are:

The market in which the School operates is highly competitive and the ongoing uncertainty in relation to the economy and the government's policies with regard to education means that maintaining and increasing the level of pupil numbers remains a key focus. Pupils achieve excellent results and the School continues to be placed as one of the top performing schools in the East Midlands. We constantly monitor the educational standards of our School in order to attract and retain pupils and we are increasing our marketing effort to ensure that our success is more widely known.

As for any school, the level of regulation and compliance is high. Specifically, the safeguarding of pupils and the health and safety of staff and pupils remains a key priority. Significant investment in the School's protective measures has been made recently to ensure high levels of compliance during the COVID-19 pandemic. This has included enhanced cleaning regimes and the implementation of the government-advised system of controls.

To ensure any risks are considered and addressed the School has appropriate risk assessments, policies and procedures in place. Staff undertake appropriate and regular training with accredited training providers. Consultation is sought where necessary from external expert agencies, particularly with regards to Health and Safety and safeguarding training.

The Board of Governors is a member of AGBIS which gives expert advice and training to ensure the Governors are suitably trained to oversee the School in this regard. There are sufficient members of the Board to specialise in their sub-committee structure.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02739356 (England and Wales)

Registered Charity number

1015449

Registered office

Rykneld Hall
Rykneld Road
Littleover
Derby
Derbyshire
DE23 4BX

**Report of the Trustees
for the Year Ended 31 July 2020**

Trustees

Mr S D Richardson (resigned 21/9/20)
Mr I Beardmore (resigned 21/9/20)
Mrs S Flear
Mr A Gentles
Mr J Pugh-Lewis
Mrs M Viles
Mr I Louch
Mrs D M Cadman
Mrs N K Virk (appointed 23/9/19)

Company Secretary

Mrs L J Bowe

Auditors

HSKS Greenhalgh
Chartered Accountants &
Statutory Auditor
18 St Christopher's Way
Pride Park
Derby
DE24 8JY

Solicitors

Flint Bishop LLP
St Michael's Court
St Michael's Lane
Derby
DE1 3HQ

Bankers

Barclays Bank PLC
Sir Frank Whittle Derby
Leicester
LE87 2BB

Patron

Sir Nigel Rudd

Governors

The board of directors

S D Richardson
I Beardmore
M Viles
I Louch
J Pugh Lewis
S Flear
A Gentles
D Cadman
N Virk

Head

Dr Ruth Norris

**Report of the Trustees
for the Year Ended 31 July 2020**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Derby Grammar School Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, HSKS Greenhalgh, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 26 April 2021 and signed on the board's behalf by:

Mrs S Flear - Trustee

Report of the Independent Auditors to the Members of Derby Grammar School Trust Limited

Opinion

We have audited the financial statements of Derby Grammar School Trust Limited (the 'charitable company') for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Derby Grammar School Trust Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Philip Handley FCA (Senior Statutory Auditor)
for and on behalf of HSKS Greenhalgh
Chartered Accountants &
Statutory Auditor
18 St Christopher's Way
Pride Park
Derby
DE24 8JY

28 April 2021

Derby Grammar School Trust Limited

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 July 2020**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
INCOME AND						
Donations and legacies	2	308,995	-	-	308,995	55,752
Charitable activities	4					
Education		2,579,161	-	-	2,579,161	2,703,409
Welfare		85,860	-	-	85,860	117,336
Premises		3,999	-	-	3,999	-
Support		25,844	-	-	25,844	32,726
Investment income	3	8,975	-	123	9,098	10,408
Other income	5	121,663	-	-	121,663	863,443
Total		3,134,497	-	123	3,134,620	3,783,074
EXPENDITURE ON						
Raising funds	6	(8,178)	-	-	(8,178)	857
Charitable activities	7					
Education		2,065,556	-	-	2,065,556	2,285,115
Welfare		116,053	-	-	116,053	164,617
Premises		281,387	-	-	281,387	276,809
Support		480,011	-	-	480,011	481,553
Finance		24,721	-	-	24,721	34,952
Total		2,959,550	-	-	2,959,550	3,243,903
NET INCOME		174,947	-	123	175,070	539,171
RECONCILIATION OF FUNDS						
Total funds brought forward		1,264,095	-	10,599	1,274,694	735,523
TOTAL FUNDS CARRIED FORWARD		1,439,042	-	10,722	1,449,764	1,274,694

The notes form part of these financial statements

Statement of Financial Position
31 July 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS						
Tangible assets	14	2,552,043	-	-	2,552,043	2,188,254
Investments	15	27,609	-	728	28,337	28,337
		<u>2,579,652</u>	<u>-</u>	<u>728</u>	<u>2,580,380</u>	<u>2,216,591</u>
CURRENT ASSETS						
Stocks	16	2,810	-	-	2,810	2,957
Debtors	17	143,863	-	-	143,863	87,177
Cash at bank and in hand		143,865	42,296	9,994	196,155	704,387
		<u>290,538</u>	<u>42,296</u>	<u>9,994</u>	<u>342,828</u>	<u>794,521</u>
CREDITORS						
Amounts falling due within one year	18	(425,109)	-	-	(425,109)	(408,086)
NET CURRENT ASSETS		<u>(134,571)</u>	<u>42,296</u>	<u>9,994</u>	<u>(82,281)</u>	<u>386,435</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,445,081	42,296	10,722	2,498,099	2,603,026
CREDITORS						
Amounts falling due after more than one year	19	(1,006,039)	(42,296)	-	(1,048,335)	(1,328,332)
NET ASSETS FUNDS		<u>1,439,042</u>	<u>-</u>	<u>10,722</u>	<u>1,449,764</u>	<u>1,274,694</u>
Unrestricted funds	23				1,439,042	1,264,095
Endowment funds					10,722	10,599
TOTAL FUNDS					<u>1,449,764</u>	<u>1,274,694</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 26 April 2021 and were signed on its behalf by:

Mrs S Flear - Trustee

Derby Grammar School Trust Limited

**Statement of Cash Flows
for the Year Ended 31 July 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	(205,198)	(237,781)
Interest paid		(18,980)	(28,144)
Interest element of HP payments paid		(1,010)	-
Net cash used in operating activities		<u>(225,188)</u>	<u>(265,925)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(253,958)	(48,855)
Sale of tangible fixed assets		-	1,335,000
Interest received		1,408	588
Net cash (used in)/provided by investing activities		<u>(252,550)</u>	<u>1,286,733</u>
Cash flows from financing activities			
Benefactor loans received in year		-	125,000
Benefactor loan repayments in		-	(125,000)
Bank loan repayments in year		(24,388)	(31,252)
Capital repayments in year		(7,036)	(7,036)
Concessionary loan repayments in year		-	(660)
Concessionary loan received in year		807	1,321
Income attributable to endowment		123	126
Net cash used in financing activities		<u>(30,494)</u>	<u>(37,501)</u>
Change in cash and cash equivalents in the reporting period			
		(508,232)	983,307
Cash and cash equivalents at the beginning of the reporting period			
		<u>704,387</u>	<u>(278,920)</u>
Cash and cash equivalents at the end of the reporting period			
		<u>196,155</u>	<u>704,387</u>

The notes form part of these financial statements

Derby Grammar School Trust Limited

Notes to the Statement of Cash Flows
for the Year Ended 31 July 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for the reporting period (as per the Statement of Financial Activities)	175,070	539,171
Adjustments for:		
Depreciation charges	59,225	52,950
Profit on disposal of fixed assets	-	(863,443)
Interest received	(1,408)	(588)
Interest paid	18,980	28,144
Income attributable to endowment	(123)	(126)
Interest element of HP payments paid	1,010	-
Decrease in stocks	147	934
(Increase)/decrease in debtors	(56,686)	912,719
Decrease in creditors	(401,413)	(907,542)
Net cash used in operations	(205,198)	(237,781)

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/8/19 £	Cash flow £	Loan release £	At 31/7/20 £
Net cash				
Cash at bank and in hand	704,387	(508,232)	-	196,155
	<u>704,387</u>	<u>(508,232)</u>	<u>-</u>	<u>196,155</u>
Debt				
Finance leases	(8,209)	7,036	-	(1,173)
Debts falling due within 1 year	(107,425)	19,244	20,205	(67,976)
Debts falling due after 1 year	(1,227,283)	4,244	260,000	(963,039)
	<u>(1,342,917)</u>	<u>30,524</u>	<u>280,205</u>	<u>(1,032,188)</u>
Total	(638,530)	(477,708)	280,205	(836,033)

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 July 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments and freehold property which are included at market value, as modified by the revaluation of certain assets.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The Board of Trustees has considered the impact of the ongoing global pandemic on the School operations and finances. Notably the pandemic has had a significant financial impact on its ability to let the sports facility, which has been closed to the public under government guidelines. However, the School has mitigated the impact of that closure through support packages provided by the government and cost reductions. However, the relatively small size of the School means that the ability to pursue any support packages through furlough or cost reductions are limited. The School's aim through the pandemic has been to ensure that the delivery of excellent academic provision is not compromised, whilst protecting the financial position of the School in these challenging times.

The School has traditionally met its day to day working capital requirements through an overdraft facility of £500k. Fee are only paid by parents on a termly basis and as such that there is considerable variation in the timing of cashflow. However, the School did not have to use the overdraft facility during the year to 31 July 2020.

The School has prepared cash flow forecasts for the period to 31 July 2022 and continues to closely monitor the impact of the pandemic on finances. The Board of Trustees note that the bank loan is due for review and renewal in January 2022 and the School has entered into early discussions with the bank in respect of the renewal of the loan. The Board has no reason to believe that the bank will not renew those facilities and the bank has indicated that more favourable terms may well be offered.

As at 31 July 2020 the Trust had net assets of over £1.4m which has increased on the prior year. The Board of Trustees acknowledges that net current liabilities are £82k at the balance sheet date. However, included in creditors are other loans of £249k, which will in time be donated to the School, at the discretion of the Trustees of Derby Grammar School Foundation Trust. Net current liabilities have also significantly decreased year on year due to an investment of nearly £400k in a new building for pupils in Reception to Year 2, which are new year groups to the School and the investment has been entirely funded out of reserves.

The School also has key benefactors who have signified their willingness to continue to support the School, although there is no expectation that this will be required based on forecast information.

On that basis the Board of Trustees have prepared the financial statements on a going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

School fees receivable represent invoiced fees for education supplied and are recognised in the year to which they relate. School fees recognised are reported net of any scholarships, bursaries or other allowances granted by the School.

Income from other trading activities, including non-ancillary trading income is recognised as it is earned from any services supplied.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

1. ACCOUNTING POLICIES - continued

Income

Donations and legacy income are credited to funds depending on the any restrictions applied by the donor and are therefore recognised when the School is legally entitled to the income and it can be both quantified with reasonable accuracy and receipt is probable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants and bursaries

Grants and bursaries, all of which are made from unrestricted funds, are treated as a deduction from fee amounts billed. More details with regards to the School's bursary programme can be found in the Trustees' report.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- Straight line over 20 years
Plant and machinery	- at varying rates on cost
Motor vehicles	- 25% on cost

The company has adopted the revaluation model for properties where fair value can be measured reliably. The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by qualified valuers. Revaluation gains and losses are recognised in other Statement of Financial Activities and accumulated funds.

Investments

Investments are shown in the balance sheet at their market value at the balance sheet date. Surpluses and deficiencies arising on sale are reflected in the year of disposal.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities, but can reclaim income tax on certain voluntary income.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The endowment fund is in respect of funds for prizes awarded on Speech Day every year; further explanation of each fund is detailed in note 23.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

1. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Statement of Financial Position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The School participated in a multi employer pension scheme, the Governments' Teachers Pension Defined Benefits Scheme, for its teaching staff until 31 December 2019. The pension liability is the responsibility of the Teachers Pension scheme. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the School. Accordingly, under Section 28 of FRS 102 the scheme is accounted for as if it were a defined contributions scheme.

From 1 January 2020 the School has operated a defined contribution scheme for teaching staff.

The School also operates a money purchase scheme for non teaching staff.

Contributions to all schemes are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Concessionary loans

Concessionary loans are initially measured at the amount received or paid and recognised on a separate line on the balance sheet.

In subsequent years the carrying amount of concessionary loans will be adjusted to reflect any accrued interest payable or receivable.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

Derby Grammar School Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Gifts and donations	308,425	49,072
Gift aid	570	6,680
	<u>308,995</u>	<u>55,752</u>

3. INVESTMENT INCOME

	2020	2019
	£	£
Rents received	7,690	9,694
Interest received	1,408	714
	<u>9,098</u>	<u>10,408</u>

4. INCOME FROM CHARITABLE ACTIVITIES

		2020	2019
		£	£
School fees	Activity		
	Education	2,489,967	2,626,575
Registration fees	Education	4,170	5,110
Other income	Education	85,024	71,724
School fees	Welfare	85,816	117,220
Other income	Welfare	44	116
Other income	Premises	3,999	-
Other income	Support	25,844	32,726
		<u>2,694,864</u>	<u>2,853,471</u>

5. OTHER INCOME

	2020	2019
	£	£
Gain on sale of tangible fixed assets	-	863,443
Government grants	121,663	-
	<u>121,663</u>	<u>863,443</u>

Derby Grammar School Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

6. RAISING FUNDS

Other trading activities

	2020	2019
	£	£
Bad debts	<u>(8,178)</u>	<u>857</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Education	2,065,556	-	2,065,556
Welfare	116,053	-	116,053
Premises	279,359	2,028	281,387
Support	469,978	10,033	480,011
Finance	24,721	-	24,721
	<u>2,955,667</u>	<u>12,061</u>	<u>2,967,728</u>

8. SUPPORT COSTS

	Governance costs £
Premises	2,028
Support	<u>10,033</u>
	<u>12,061</u>

Support costs, included in the above, are as follows:

Governance costs

	Premises £	Support £	2020 Total activities £	2019 Total activities £
Auditors' remuneration	-	8,580	8,580	8,900
Auditors' remuneration for non audit work	-	1,453	1,453	2,500
Insurance	2,028	-	2,028	1,190
	<u>2,028</u>	<u>10,033</u>	<u>12,061</u>	<u>12,590</u>

Derby Grammar School Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	8,580	8,900
Auditors' remuneration for non audit work	1,453	1,600
Other non-audit services	-	900
Depreciation - owned assets	50,698	44,423
Depreciation - assets on hire purchase contracts and finance leases	8,527	8,527
Hire of plant and machinery	14,855	9,740
Surplus on disposal of fixed assets	<u>-</u>	<u>(863,443)</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2020 nor for the year ended 31 July 2019.

Trustees' expenses

	2020	2019
	£	£
The following expenses were paid to trustees	Nil	Nil

11. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	1,755,892	2,003,962
Social security costs	166,018	190,109
Other pension costs	343,951	269,663
	<u>2,265,861</u>	<u>2,463,734</u>

The average monthly number of employees during the year was as follows:

	2020	2019
School	51	49
Catering	6	7
Administration	7	7
Property	8	8
Marketing	1	1
Sports Centre	3	4
	<u>76</u>	<u>76</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
£60,001 - £70,000	<u>1</u>	<u>1</u>

Pension contributions made in respect of higher paid employees were as follows:

Derby Grammar School Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

11. STAFF COSTS - continued

	2020	2019
£ £		
Contributions to employees' pensions	17,226	10,575

12. EXCEPTIONAL ITEMS

Included within donations receivable of £308,455 in the current year is an amount of £250,000 relating to donations from a related charity, Derby Grammar School Foundation. This donation was effected on 3 May 2020 via the release from an obligation to repay loan funding received in previous years. Further details relating to this related charity are shown in note 24.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	55,752	-	-	55,752
Charitable activities				
Education	2,703,409	-	-	2,703,409
Welfare	117,336	-	-	117,336
Support	32,726	-	-	32,726
Investment income	10,876	(594)	126	10,408
Other income	863,443	-	-	863,443
Total	<u>3,783,542</u>	<u>(594)</u>	<u>126</u>	<u>3,783,074</u>
EXPENDITURE ON				
Raising funds	857	-	-	857
Charitable activities				
Education	2,285,115	-	-	2,285,115
Welfare	164,617	-	-	164,617
Premises	276,809	-	-	276,809
Support	481,553	-	-	481,553
Finance	34,952	-	-	34,952
Total	<u>3,243,903</u>	<u>-</u>	<u>-</u>	<u>3,243,903</u>
NET INCOME/(EXPENDITURE)	<u>539,639</u>	<u>(594)</u>	<u>126</u>	<u>539,171</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	724,456	594	10,473	735,523
TOTAL FUNDS CARRIED FORWARD	<u>1,264,095</u>	<u>-</u>	<u>10,599</u>	<u>1,274,694</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 August 2019	2,564,280	1,121,062	63,830	3,749,172
Additions	375,082	47,932	-	423,014
At 31 July 2020	<u>2,939,362</u>	<u>1,168,994</u>	<u>63,830</u>	<u>4,172,186</u>
DEPRECIATION				
At 1 August 2019	515,263	1,002,837	42,818	1,560,918
Charge for year	8,901	39,839	10,485	59,225
At 31 July 2020	<u>524,164</u>	<u>1,042,676</u>	<u>53,303</u>	<u>1,620,143</u>
NET BOOK VALUE				
At 31 July 2020	<u>2,415,198</u>	<u>126,318</u>	<u>10,527</u>	<u>2,552,043</u>
At 31 July 2019	<u>2,049,017</u>	<u>118,225</u>	<u>21,012</u>	<u>2,188,254</u>

All freehold property owned by the charitable company is pledged as security for bank borrowings.

The net book value of tangible fixed assets includes £ 10,527 (2019 - £ 19,054) in respect of assets held under hire purchase contracts.

15. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 August 2019 and 31 July 2020	<u>28,337</u>
NET BOOK VALUE	
At 31 July 2020	<u>28,337</u>
At 31 July 2019	<u>28,337</u>

There were no investment assets outside the UK.

The unrestricted fund investments comprise historic assets donated to the School. There exist other historic assets comprised within the fabric of the School, which are not accounted for here or elsewhere in the financial statements.

Derby Grammar School Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

16. STOCKS	2020	2019
	£	£
Stocks	<u>2,810</u>	<u>2,957</u>
17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
School fee debtors	34,230	1,460
Other debtors	11,054	11,849
Prepayments and accrued income	<u>98,579</u>	<u>73,868</u>
	<u>143,863</u>	<u>87,177</u>
18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
Bank loans and overdrafts (see note 20)	12,661	32,000
Other loans (see note 20)	55,315	75,425
Hire purchase (see note 21)	1,173	7,036
Trade creditors	20,397	56,033
Social security and other taxes	41,536	-
Pension costs	28,341	35,109
School deposits	19,450	10,800
Other creditors	6,938	25,713
Accruals	184,784	50,696
School fees in advance	<u>54,514</u>	<u>115,274</u>
	<u>425,109</u>	<u>408,086</u>

There is in place an overdraft facility of £500,000, which was renewed in May 2019.

This facility carries interest at a variable rate set at 2.25% above base rate of Barclays Bank Plc.

Security for all bank borrowings is shown in Note 22.

Loans from benefactors carry interest at a variable rate set at 1% above the base rate of Barclays Bank plc, with the exception of loans totalling £55,315 (2019: £75,425) which remain interest free. Loans from benefactors have no fixed date for repayment.

Derby Grammar School Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 20)	713,895	718,945
Other loans (see note 20)	249,144	508,338
Hire purchase (see note 21)	-	1,173
School deposits	85,296	99,876
	<u>1,048,335</u>	<u>1,328,332</u>

The bank loan of £726,556 (2019: £750,945) funded the purchase of Rykneld Sports Hall.

The loan is repayable over a period of 5 years in the first instance, repayments having started in May 2017. The bank have the right to ask for immediate repayment of the whole of the loan outstanding if any of the terms and conditions of the loan are breached.

The loan carries interest at a variable rate set at 2.3% above the base rate of Barclays Bank plc.

20. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank loans	12,661	32,000
Other loans	55,315	75,425
	<u>67,976</u>	<u>107,425</u>
Amounts falling between one and two years:		
Bank loans	713,895	32,000
Concessionary loans	249,144	508,338
	<u>963,039</u>	<u>540,338</u>
Amounts falling due between two and five years:		
Bank loans	<u>-</u>	<u>686,945</u>

Concessionary loans

The concessionary loan made to Derby Grammar School Trust Limited by Derby Grammar School Foundation of £249,144 (2019 - £508,338) was made for the purpose of furthering the objectives of the public benefit entity. There is no interest payable on the loan and there is no fixed repayment date.

Derby Grammar School Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

21. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2020	2019
	£	£
Net obligations repayable:		
Within one year	1,173	7,036
Between one and five years	-	1,173
	<u>1,173</u>	<u>8,209</u>

22. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank loans	726,556	750,945
Hire purchase contracts	1,173	8,209
	<u>727,729</u>	<u>759,154</u>

Barclays Bank holds the following security for its loan and overdraft facilities:

- a first legal charge over the School's buildings and certain property
- a debenture over the School's other assets
- a first legal charge over Rykneld Sports Centre

Hire purchase contracts are secured on the funded asset.

23. MOVEMENT IN FUNDS

	At 1/8/19	Net movement in funds	At 31/7/20
	£	£	£
Unrestricted funds			
General fund	1,264,095	174,947	1,439,042
Endowment funds			
The Caroline Booth memorial prize fund	2,187	9	2,196
The Dr W R C Chapman prize fund	1,063	12	1,075
The Duke Of Devonshire prize fund	2,060	22	2,082
The Dermot Murray prize fund	2,630	28	2,658
The MacMillan prize fund	1,201	15	1,216
The Thomas Dakin prize fund	942	30	972
The Roger Waller prize fund	516	7	523
	<u>10,599</u>	<u>123</u>	<u>10,722</u>
TOTAL FUNDS	<u>1,274,694</u>	<u>175,070</u>	<u>1,449,764</u>

Derby Grammar School Trust Limited

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

23. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,134,497	(2,959,550)	174,947
Endowment funds			
The Caroline Booth memorial prize fund	9	-	9
The Dr W R C Chapman prize fund	12	-	12
The Duke Of Devonshire prize fund	22	-	22
The Dermot Murray prize fund	28	-	28
The MacMillan prize fund	15	-	15
The Thomas Dakin prize fund	30	-	30
The Roger Waller prize fund	7	-	7
	<u>123</u>	<u>-</u>	<u>123</u>
TOTAL FUNDS	<u>3,134,620</u>	<u>(2,959,550)</u>	<u>175,070</u>

Comparatives for movement in funds

	At 1/8/18 £	Net movement in funds £	Transfers between funds £	At 31/7/19 £
Unrestricted funds				
General fund	478,470	539,639	245,986	1,264,095
Revaluation reserve	245,986	-	(245,986)	-
	<u>724,456</u>	<u>539,639</u>	<u>-</u>	<u>1,264,095</u>
Restricted funds				
Philip Spray Bursary	594	(594)	-	-
Endowment funds				
The Caroline Booth memorial prize fund	2,174	13	-	2,187
The Dr W R C Chapman prize fund	1,045	18	-	1,063
The Duke Of Devonshire prize fund	2,031	29	-	2,060
The Dermot Murray prize fund	2,593	37	-	2,630
The MacMillan prize fund	1,181	20	-	1,201
The Thomas Dakin prize fund	942	-	-	942
The Roger Waller prize fund	507	9	-	516
	<u>10,473</u>	<u>126</u>	<u>-</u>	<u>10,599</u>
TOTAL FUNDS	<u>735,523</u>	<u>539,171</u>	<u>-</u>	<u>1,274,694</u>

Derby Grammar School Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2020**

23. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,783,542	(3,243,903)	539,639
Restricted funds			
Philip Spray Bursary	(594)	-	(594)
Endowment funds			
The Caroline Booth memorial prize fund	13	-	13
The Dr W R C Chapman prize fund	18	-	18
The Duke Of Devonshire prize fund	29	-	29
The Dermot Murray prize fund	37	-	37
The MacMillan prize fund	20	-	20
The Roger Waller prize fund	9	-	9
	<u>126</u>	<u>-</u>	<u>126</u>
TOTAL FUNDS	<u>3,783,074</u>	<u>(3,243,903)</u>	<u>539,171</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/8/18 £	Net movement in funds £	Transfers between funds £	At 31/7/20 £
Unrestricted funds				
General fund	478,470	714,586	245,986	1,439,042
Revaluation reserve	<u>245,986</u>	<u>-</u>	<u>(245,986)</u>	<u>-</u>
	724,456	714,586	-	1,439,042
Restricted funds				
Philip Spray Bursary	594	(594)	-	-
Endowment funds				
The Caroline Booth memorial prize fund	2,174	22	-	2,196
The Dr W R C Chapman prize fund	1,045	30	-	1,075
The Duke Of Devonshire prize fund	2,031	51	-	2,082
The Dermot Murray prize fund	2,593	65	-	2,658
The MacMillan prize fund	1,181	35	-	1,216
The Thomas Dakin prize fund	942	30	-	972
The Roger Waller prize fund	<u>507</u>	<u>16</u>	<u>-</u>	<u>523</u>
	10,473	249	-	10,722
TOTAL FUNDS	<u>735,523</u>	<u>714,241</u>	<u>-</u>	<u>1,449,764</u>

Derby Grammar School Trust Limited

Notes to the Financial Statements - continued for the Year Ended 31 July 2020

23. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	6,918,039	(6,203,453)	714,586
Restricted funds			
Philip Spray Bursary	(594)	-	(594)
Endowment funds			
The Caroline Booth memorial prize fund	22	-	22
The Dr W R C Chapman prize fund	30	-	30
The Duke Of Devonshire prize fund	51	-	51
The Dermot Murray prize fund	65	-	65
The MacMillan prize fund	35	-	35
The Thomas Dakin prize fund	30	-	30
The Roger Waller prize fund	16	-	16
	<u>249</u>	<u>-</u>	<u>249</u>
TOTAL FUNDS	<u>6,917,694</u>	<u>(6,203,453)</u>	<u>714,241</u>

The Caroline Booth Memorial Prize Funds were established in 1997 by J H Booth in memory of his mother to fund music prizes.

The Dr W R C Chapman Prize Fund was established in 1999 by Sir Nigel Rudd in memory of a past headmaster of Bemrose School, Derby to fund a mathematics prize.

The Duke of Devonshire Prize Fund was established in 2000 by His Grace the Duke of Devonshire to fund a prize for natural sciences.

The Dermot Murray Prize Fund was established to promote interest in science and to encourage the formal presentation of short papers on matters of scientific interest.

The MacMillan Prize Fund was established in 2004 by Mr John Blackton in memory of Mr H B MacMillan to fund a senior mathematics prize.

The Thomas Dakin Prize Fund was established in 2004 by Mr S Critchell-Ward to fund the Esprit de Corps prize.

The Roger Waller Fund was established in 2008 by a former headmaster to fund a chemistry prize.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2020

24. RELATED PARTY DISCLOSURES

During the year, the charity repaid loans amounting to £nil (2019 - £660) and received loans of £806 (2019: £1,444) from a charitable organisation, with which the school is affiliated, as noted in the Report of the Trustees. During the year the charity was released from the obligation to repay loans to a total of £260,000 as referred in note 12. As at the balance sheet date amounts owed to the affiliated charitable organisation, as noted in the Report of the Trustees, totalled £249,144 (2019 - £508,338).

At the year end the charity owed £55,315 (2019 - £75,425) to former trustees. During the year loans amounting to £20,110 (2019 - £19,432) were forgiven by these individuals and are reflected in gifts and donations in the statement of financial activities.

Four governors have children who attend the School. No fee discounts or benefits are provided to those families due to their positions on the Board of Trustees.

25. COMPANY STATUS

The Charity is a company registered in England & Wales, and limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

26. PENSIONS

The School participated in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff until 31 December 2019. The pension charge for the year includes contributions payable to the TPS of £120,274 (2019: £255,705) and at the year-end £nil (2019: £31,973) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2016 and the valuation report, which was published in March 2019, confirmed an employer contribution rate for the TPS of 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

Had the charitable company not left the scheme on 31 December 2019 this employer rate would have been payable until the outcome of the next actuarial valuation which is due to be prepared as at 31 March 2020, with any resulting changes to the employer rate expected to take effect from 1 April 2023. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

In October 2019 the school commenced a defined contribution scheme with Aviva which became the sole scheme for teaching staff from 1 January 2020. The cost for the year represents the school's contributions to this scheme of £177,308 (2019: £nil).

The school also administers an auto enrolment scheme, The People's Pension, for its non-teaching staff. The cost for the year represents the school's contributions to the auto enrolment scheme of £25,460 (2019: £11,882).

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